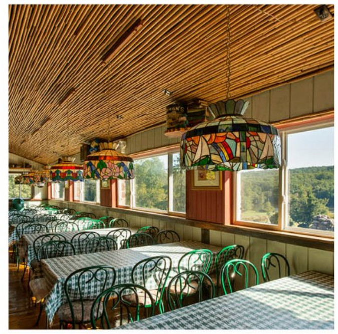


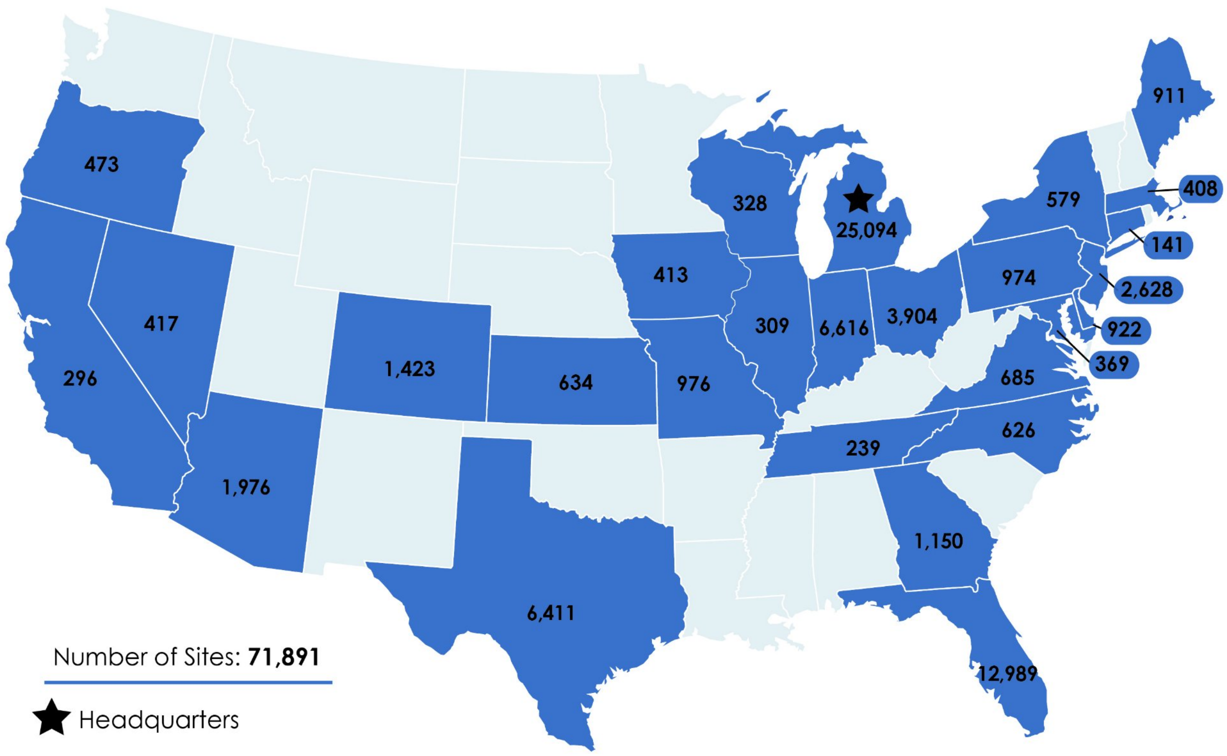



SUN
SUN COMMUNITIES, INC.

Supplemental Operating & Financial Data

FIRST QUARTER 2014

Portfolio Overview
(as of March 31, 2014)



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Balance Sheets
(amounts in thousands)

	Quarter Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
ASSETS:					
Real Estate					
Land	$ 212,901	$ 194,404	$ 191,589	$ 191,603	$ 193,178
Land improvements and buildings	1,897,386	1,806,546	1,752,996	1,738,992	1,697,275
Rental homes and improvements	414,782	393,562	375,296	353,801	330,177
Furniture, fixtures and equipment	67,432	65,086	60,139	58,397	55,928
Land held for future development	29,521	29,521	29,521	29,295	25,606
Investment property	2,622,022	2,489,119	2,409,541	2,372,088	2,302,164
Accumulated depreciation	(757,948)	(734,067)	(714,224)	(695,275)	(677,112)
Investment property, net	1,864,074	1,755,052	1,695,317	1,676,813	1,625,052
Cash and cash equivalents	9,305	4,753	4,955	6,488	61,045
Notes and other receivables	50,864	54,864	64,018	58,767	58,702
Collateralized receivables, net (1)	111,442	109,821	106,566	101,988	96,857
Inventory of manufactured homes	6,541	5,810	4,005	9,091	7,667
Other assets	66,006	68,936	61,830	63,621	64,477
Total assets	$2,108,232	$1,999,236	$1,936,691	$1,916,768	$1,913,800
LIABILITIES AND STOCKHOLDERS' EQUITY:					
Liabilities					
Lines of credit	$ 16,441	$ 181,383	$ 54,765	$ 18,286	$ 392
Secured borrowing (1)	112,208	110,510	107,243	102,633	97,455
Mortgage loans payable	1,249,163	1,153,905	1,199,183	1,203,534	1,211,832
Preferred operating units	47,022	47,022	47,022	47,322	47,322
Other liabilities	117,618	109,342	108,782	105,873	95,232
Total liabilities	1,542,452	1,602,162	1,516,995	1,477,648	1,452,233
Stockholders' Equity					
Preferred stock	34	34	34	34	34
Common stock	404	361	361	361	359
Additional paid-in capital	1,329,678	1,141,590	1,140,625	1,139,791	1,139,331
Accumulated other comprehensive loss	(277)	(366)	(454)	(535)	(613)
Distributions in excess of accumulated earnings	(778,766)	(761,112)	(739,197)	(720,950)	(699,955)
Total SUI stockholders' equity	551,073	380,507	401,369	418,701	439,156
Noncontrolling interests:					
Series A-1 preferred OP units	44,991	45,548	45,548	45,548	45,548
Series A-3 preferred OP units	3,463	3,463	3,463	3,463	3,463
Common OP units	(33,358)	(31,907)	(29,764)	(27,965)	(25,967)
Consolidated variable interest entities	(389)	(537)	(920)	(627)	(633)
Total noncontrolling interest	14,707	16,567	18,327	20,419	22,411
Total stockholders' equity	565,780	397,074	419,696	439,120	461,567
Total liabilities & stockholders' equity	$2,108,232	$1,999,236	$1,936,691	$1,916,768	$1,913,800
Series A-1 preferred OP Units outstanding, if converted	1,087	1,111	1,111	1,111	1,111
Series A-3 preferred OP Units outstanding, if converted	75	75	75	75	75
Common OP Units outstanding, if converted	2,069	2,069	2,069	2,069	2,069
Number of common shares outstanding	40,394	36,140	36,140	36,108	35,863

Debt Analysis
(amounts in thousands)

	Quarter Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
DEBT OUTSTANDING					
Lines of credit	$ 16,441	$ 181,383	$ 54,765	$ 18,286	$ 392
Mortgage loans payable	1,249,163	1,153,905	1,199,183	1,203,534	1,211,832
Aspen & Series B-3 preferred operating units	47,022	47,022	47,022	47,322	47,322
Secured borrowing (1)	112,208	110,510	107,243	102,633	97,455
Total debt	1,424,834	1,492,820	1,408,213	1,371,775	1,357,001
% FIXED/FLOATING					
Fixed	82.3%	76.9%	84.5%	86.8%	87.9%
Floating	17.7%	23.1%	15.5%	13.2%	12.1%
Total	100.00%	100.00%	100.00%	100.00%	100.00%
WEIGHTED AVERAGE INTEREST RATES					
Lines of credit	2.31%	2.44%	2.36%	4.59%	7.00%
Mortgage loans payable	4.54%	4.73%	4.77%	4.77%	4.81%
Aspen & Series B-3 preferred operating units	6.86%	6.86%	6.86%	6.87%	6.89%
Average before Secured borrowing	4.59%	4.81%	4.74%	4.84%	4.89%
Secured borrowing (1)	10.60%	10.65%	10.73%	10.81%	10.89%
Total average	5.06%	4.96%	5.20%	5.29%	5.32%
DEBT RATIOS					
Net Debt/Enterprise Value	40.8%	45.8%	44.3%	40.0%	39.1%
Net Debt + Pref. Stock/Enterprise Value	43.3%	48.3%	47.0%	42.5%	41.7%
Net Debt/Gross Assets	49.4%	54.4%	52.9%	52.3%	50.0%
COVERAGE RATIOS					
EBITDA/ Interest (2)	3.4	2.9	3.1	2.8	3.0
EBITDA/ Interest + Pref. Distributions + Pref. Stock Distribution (2)	3.0	2.6	2.7	2.5	2.7

MATURITIES/PRINCIPAL AMORTIZATION NEXT FIVE YEARS	2014	2015	2016	2017	2018
Lines of credit	$ —	$ 1,441	$ —	$ —	$ 15,000
Mortgage loans payable:					
Maturities	11,476	55,649	280,740	55,019	—
Principal amortization	13,721	17,575	16,075	15,178	15,235
Series B-3 preferred operating units	3,670	7,570	—	—	—
Secured borrowing (1)	3,657	5,334	5,896	6,443	6,990
Total	$ 32,524	$ 87,569	$ 302,711	$ 76,640	$ 37,225

Statements of Operations
(amounts in thousands except for per share data)

	Quarter Ended				
	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
REVENUES:					
Income from real property *(excluding transient revenue)*	$ 79,505	$ 75,548	$ 74,884	$ 73,184	$ 72,059
Transient revenue	7,992	2,580	5,274	2,562	7,006
Revenue from home sales	10,123	14,652	14,145	13,199	12,856
Rental home revenue	9,402	8,717	8,445	7,977	7,361
Other income	4,559	4,160	5,153	3,679	4,031
Total revenues	111,581	105,657	107,901	100,601	103,313
EXPENSES:					
Property operating and maintenance	23,189	21,044	24,379	22,268	19,946
Real estate taxes	6,009	5,138	5,602	5,788	5,756
Cost of home sales	7,848	10,937	10,161	9,383	9,816
Rental home operating and maintenance	5,251	6,183	5,504	4,485	4,263
General and administrative	10,312	9,294	8,154	9,181	9,225
Acquisition related costs	760	1,159	619	1,108	1,042
Total expenses	53,369	53,755	54,419	52,213	50,048
EBITDA (3)	58,212	51,902	53,482	48,388	53,265
Interest	17,590	18,451	17,823	18,201	18,864
Interest on mandatorily redeemable debt	803	808	809	812	809
Depreciation and amortization	28,889	29,962	28,790	26,064	25,262
Provision for state income tax	(69)	(48)	(90)	(37)	(59)
NET INCOME	10,861	2,633	5,970	3,274	8,271
Preferred return to Series A-1 preferred OP units	(672)	(689)	(690)	(646)	(573)
Preferred return to Series A-3 preferred OP units	(45)	(45)	(45)	(46)	(30)
Amounts attributable to noncontrolling interests	(784)	(303)	28	(33)	(410)
Series A Preferred stock distribution	(1,514)	(1,514)	(1,514)	(1,514)	(1,514)
NET INCOME ATTRIBUTABLE TO SUI	7,846	82	3,749	1,035	5,744
Acquisition related costs	760	1,159	619	1,108	1,042
Depreciation and amortization	29,168	30,157	29,242	26,242	25,442
Gain on disposition of assets, net	(1,014)	(1,787)	(2,190)	(2,102)	(1,513)
Preferred return to Series A-1 preferred OP units	672	689	690	646	573
Preferred return to Series A-3 preferred OP units	45	45	45	46	30
Amounts attributable to noncontrolling interests	784	303	(28)	33	410
FUNDS FROM OPERATIONS ("FFO") (3)**, EXCLUDING CERTAIN ITEMS**	38,261	30,648	32,127	27,008	31,728
Acquisition related costs	(760)	(1,159)	(619)	(1,108)	(1,042)
FUNDS FROM OPERATIONS ("FFO") (3)	37,501	29,489	31,508	25,900	30,686
Recurring capital expenditures	(1,586)	(4,153)	(5,777)	(2,452)	(1,664)
FUNDS AVAILABLE FOR DISTRIBUTION ("FAD") (3)	$ 35,915	$ 25,336	$ 25,731	$ 23,448	$ 29,022
FFO PER SHARE/UNIT EXCLUDING CERTAIN ITEMS - DILUTED (3)	$ 0.95	$ 0.78	$ 0.82	$ 0.69	$ 0.93
FFO PER SHARE/UNIT – DILUTED (3)	$ 0.93	$ 0.75	$ 0.80	$ 0.66	$ 0.90
PAYOUT RATIO	73.1%	98.0%	96.5%	105.2%	73.8%
WEIGHTED AVG. SHARES/UNITS - BASIC	36,495	35,508	35,499	35,479	30,427
Common OP units	2,069	2,069	2,069	2,069	2,069
Restricted stock	645	632	629	408	347
Common stock issuable upon conversion of Series A-1 preferred OP units	1,107	1,111	1,111	1,111	1,111
Common stock issuable upon conversion of Series A-3 preferred OP units	75	75	75	75	43
Common stock issuable upon conversion of stock options	14	12	15	20	15
WEIGHTED AVG. SHARES/UNITS - DILUTED	40,405	39,407	39,398	39,162	34,012

Statement of Operations – Same Site

(amounts in thousands except for other information)

	Three Months Ended March 31,			
	2014	2013	Change	% Change
REVENUES:				
Income from real property	$ 78,279	$ 73,308	$ 4,971	6.8 %
PROPERTY OPERATING EXPENSES:				
Payroll and benefits	5,804	5,774	30	0.5 %
Legal, taxes, & insurance	1,261	1,175	86	7.3 %
Utilities	4,998	4,390	608	13.8 %
Supplies and repair	2,213	1,687	526	31.2 %
Other	2,124	1,890	234	12.4 %
Real estate taxes	5,654	5,663	(9)	(0.2)%
Property operating expenses	22,054	20,579	1,475	7.2 %
NET OPERATING INCOME ("NOI")[3]	$ 56,225	$ 52,729	$ 3,496	6.6 %

	As of March 31,		
	2014	2013	Change
OTHER INFORMATION			
Number of properties	173	173	—
Developed sites	64,358	63,914	444
Occupied sites [4]	53,480	51,779	1,701
Occupancy % [4] [5]	89.9%	88.6%	1.3%
Weighted average monthly rent per site - MH	$ 449	$ 436	$ 13
Weighted average monthly rent per site - RV [6]	$ 407	$ 401	$ 6
Weighted average monthly rent per site - MH/RV [5]	$ 445	$ 432	$ 13
Sites available for development	6,166	6,969	(803)

Rental Program Summary
(amounts in thousands except for *)

	Three Months Ended March 31,			
	2014	2013	Change	% Change
REVENUES:				
Rental home revenue	$ 9,402	$ 7,361	$ 2,041	27.7 %
Site rent included in Income from real property	13,102	10,765	2,337	21.7 %
Rental Program revenue	22,504	18,126	4,378	24.2 %
EXPENSES:				
Commissions	601	639	(38)	(5.9)%
Repairs and refurbishment	2,405	1,762	643	36.5 %
Taxes and insurance	1,368	1,086	282	26.0 %
Marketing and other	877	776	101	13.0 %
Rental Program operating and maintenance	5,251	4,263	988	23.2 %
NET OPERATING INCOME ("NOI") (3)	$ 17,253	$ 13,863	$ 3,390	24.5 %
Occupied rental home information as of March 31, 2014 and 2013:				
Number of occupied rentals, end of period*	10,073	8,584	1,489	17.3 %
Investment in occupied rental homes	$ 371,360	$ 306,211	$ 65,149	21.3 %
Number of sold rental homes*	134	236	(102)	(43.2)%
Weighted average monthly rental rate*	$ 801	$ 793	$ 8	1.0 %

Homes Sales Summary
(amounts in thousands except for *)

	Three Months Ended March 31,			
	2014	**2013**	**Change**	**% Change**
New home sales	$ 2,163	$ 1,076	$ 1,087	101.0 %
Pre-owned home sales	7,960	11,780	(3,820)	(32.4)%
Revenue from home sales	10,123	12,856	(2,733)	(21.3)%
New home cost of sales	1,834	915	919	100.4 %
Pre-owned home cost of sales	6,014	8,901	(2,887)	(32.4)%
Cost of home sales	7,848	9,816	(1,968)	(20.0)%
NOI / Gross profit [(3)]	$ 2,275	$ 3,040	$ (765)	(25.2)%
Gross profit – new homes	$ 329	$ 161	$ 168	104.3 %
Gross margin % – new homes	15.2%	15.0%	0.2%	
Average selling price - new homes*	$ 79,954	$ 59,443	$ 20,511	34.5 %
Gross profit – pre-owned homes	$ 1,946	$ 2,879	$ (933)	(32.4)%
Gross margin % – pre-owned homes	24.4%	24.4%	—%	
Average selling price - pre-owned homes*	$ 23,164	$ 25,488	$ (2,324)	(9.1)%
Home sales volume information:				
New home sales*	27	14	13	92.9 %
Pre-owned home sales*	342	452	(110)	(24.3)%
Total homes sold*	369	466	(97)	(20.8)%

Acquisition Summary - Properties Acquired in 2013 and 2014
(amounts in thousands except for statistical data)

	Three Months Ended March 31, 2014
REVENUES:	
Income from real property *(excluding transient revenue)*	$ 3,476
Transient revenue	442
Revenue from home sales	97
Rental home revenue	130
Ancillary revenues, net	(70)
Total revenues	4,075
COSTS AND EXPENSES:	
Property operating and maintenance	1,491
Real estate taxes	354
Cost of home sales	76
Rental home operating and maintenance	43
Total expenses	1,964
NET OPERATING INCOME ("NOI") (3)	$ 2,111
Home sales volume :	
Pre-owned homes	18

	As of March 31, 2014
Other information:	
Number of properties	19
Developed sites	7,449
Occupied sites (4)	3,664
Occupancy % (4)	96.4%
Weighted average monthly rent per site - MH	$ 398
Weighted average monthly rent per site - RV (6)	$ 340
Weighted average monthly rent per site - MH/RV (5)	$ 351
Occupied rental home information :	
Number of occupied rentals, end of period	112
Investment in occupied rental homes *(in thousands)*	$ 2,158
Weighted average monthly rental rate	$ 785

Property Summary
(includes MH and Annual/Seasonal RV's)

COMMUNITIES	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
MICHIGAN [(4)]					
Communities	74	74	73	73	73
Sites for development	2,168	2,168	2,166	2,166	2,166
Developed sites	24,913	24,912	24,199	24,189	24,189
Occupied	22,083	21,963	21,286	21,137	20,908
Occupancy %	88.6%	88.2%	88.0%	87.4%	86.4%
FLORIDA [(4)]					
Communities	27	27	27	27	27
Sites for development	142	142	187	187	187
Developed sites	10,025	9,883	9,777	9,793	9,852
Occupied	9,966	9,825	9,752	9,756	9,794
Occupancy %	99.4%	99.4%	99.7%	99.6%	99.4%
INDIANA					
Communities	18	18	18	18	18
Sites for development	522	522	522	522	522
Developed sites	6,616	6,616	6,616	6,616	6,616
Occupied	4,711	4,667	4,614	4,649	4,582
Occupancy %	71.2%	70.5%	69.7%	70.3%	69.3%
TEXAS [(4)]					
Communities	18	18	18	18	18
Sites for development	2,328	2,328	2,406	2,316	2,586
Developed sites	5,735	5,730	5,524	5,531	5,463
Occupied	5,608	5,499	5,291	5,214	5,158
Occupancy %	97.8%	96.0%	95.8%	94.3%	94.4%
OHIO [(4)]					
Communities	12	12	12	12	12
Sites for development	—	110	135	135	135
Developed sites	3,600	3,476	3,455	3,457	3,452
Occupied	3,121	3,107	3,099	3,102	3,095
Occupancy %	86.7%	89.4%	89.7%	89.7%	89.7%
COLORADO					
Communities	4	4	4	4	4
Sites for development	462	462	464	464	464
Developed sites	1,423	1,423	1,423	1,423	1,423
Occupied	1,412	1,411	1,406	1,398	1,405
Occupancy %	99.2%	99.2%	98.8%	98.2%	98.7%
OTHER STATES [(4)]					
Communities	39	35	33	33	31
Sites for development	544	607	847	909	909
Developed sites	11,033	9,761	9,560	9,604	9,252
Occupied	10,243	8,987	8,835	8,826	8,445
Occupancy %	92.8%	92.1%	92.4%	91.9%	91.3%

Property Summary

(includes MH and Annual/Seasonal RV's)

COMMUNITIES	3/31/2014	12/31/2013	9/30/2013	6/30/2013	3/31/2013
TOTAL - PORTFOLIO [4]					
Communities	192	188	185	185	183
Sites for development	6,166	6,339	6,727	6,699	6,969
Developed sites	63,345	61,801	60,554	60,613	60,247
Occupied	57,144	55,459	54,283	54,082	53,387
Occupancy %	90.2%	89.7%	89.6%	89.2%	88.6%
TRANSIENT RV PORTFOLIO SUMMARY					
States					
Michigan	181	182	176	185	178
Florida	2,964	3,107	3,169	3,153	3,111
Texas	676	681	698	687	677
Ohio	304	313	309	307	325
Arizona	923	1,047	1,065	1,033	1,048
Maine	514	535	535	237	239
New Jersey	1,068	699	698	693	438
New York	530	524	299	299	
Other States	1,386	900	766	1,070	1,168
Total transient RV sites	8,546	7,988	7,715	7,664	7,184

Capital Improvements, Development, and Acquisitions

(amounts in thousands except for *)

	Recurring Capital Expenditures Average/Site*	Recurring Capital Expenditures [7]	Lot Modifications [8]	Acquisitions [9]	Expansion & Development [10]	Revenue Producing [11]
2012	$ 145	$ 9,214	$ 5,812	$ 292,695	$ 13,424	$ 427
2013	$ 201	$ 14,046	$ 8,001	$ 187,373	$ 17,985	$ 759
YTD 2014	$ 22	$ 1,586	$ 1,761	$ 104,547	$ 4,455	$ 327

Operating Statistics for Manufactured Homes and Annual/Seasonal RV's

MARKETS	Resident Move-outs	Net Leased Sites (12)	New Home Sales	Pre-owned Home Sales	Brokered Resales
Michigan	119	120	2	188	13
Florida	36	141	16	14	107
Indiana	40	44	—	38	2
Ohio	18	14	—	17	—
Texas	32	109	—	43	6
Colorado	1	1	—	14	3
Other states	144	131	9	28	30
YTD ended March 31, 2014	390	560	27	342	161

TOTAL FOR YEAR ENDED	Resident Move-outs	Net Leased Sites (12)	New Home Sales	Pre-owned Home Sales	Brokered Re-sales
2013	1,391	1,885	85	1,844	562
2012	1,126	1,069	76	1,666	417
2011	949	892	28	1,411	353
2010	890	563	36	1,339	320
2009	1,049	224	71	1,045	348
2008	1,018	(47)	122	843	341
2007	1,200	(148)	76	636	394
2006	1,250	(500)	121	371	539
2005	1,252	103	179	246	593
2004	1,228	(709)	180	357	683

PERCENTAGE TRENDS	Resident Move-outs	Resident Re-sales
YTD 2014	2.8%	4.5%
2013	2.6%	4.6%
2012	2.5%	4.9%
2011	2.3%	4.7%
2010	2.3%	5.1%
2009	2.8%	4.9%
2008	2.7%	5.8%
2007	3.2%	6.5%
2006	3.3%	7.7%
2005	3.3%	8.4%
2004	3.3%	8.1%

Footnotes to Supplemental Data

(1) This is a transferred asset transaction which has been classified as collateralized receivables and the cash received from this transaction has been classified as a secured borrowing. The interest income and interest expense accrue at the same rate/amount.

(2) The coverage ratios have been adjusted to exclude acquisition related costs. See Statement of Operations on page 7 for detailed amounts.

(3) Investors in and analysts following the real estate industry utilize funds from operations ("FFO"), net operating income ("NOI"), EBITDA and funds available for distribution ("FAD") as supplemental performance measures. We believe FFO, NOI, EBITDA and FAD are appropriate measures given their wide use by and relevance to investors and analysts. FFO, reflecting the assumption that real estate values rise or fall with market conditions, principally adjusts for the effects of GAAP depreciation/amortization of real estate assets. NOI provides a measure of rental operations and does not factor in depreciation/amortization and non-property specific expenses such as general and administrative expenses. EBITDA provides a further tool to evaluate ability to incur and service debt and to fund dividends and other cash needs. FAD provides information to evaluate our ability to fund dividends. In addition, FFO, NOI, EBITDA and FAD are commonly used in various ratios, pricing multiples/yields and returns and valuation calculations used to measure financial position, performance and value.

Funds from operations ("FFO") is defined by the National Association of Real Estate Investment Trusts ("NAREIT") as net income (loss) computed in accordance with generally accepted accounting principles ("GAAP"), excluding gains (or losses) from sales of depreciable operating property, plus real estate-related depreciation and amortization, and after adjustments for unconsolidated partnerships and joint ventures. FFO is a non-GAAP financial measure that management believes is a useful supplemental measure of our operating performance. Management generally considers FFO to be a useful measure for reviewing comparative operating and financial performance because, by excluding gains and losses related to sales of previously depreciated operating real estate assets, impairment and excluding real estate asset depreciation and amortization (which can vary among owners of identical assets in similar condition based on historical cost accounting and useful life estimates), FFO provides a performance measure that, when compared year over year, reflects the impact to operations from trends in occupancy rates, rental rates, and operating costs, providing perspective not readily apparent from net income (loss). Management believes that the use of FFO has been beneficial in improving the understanding of operating results of REITs among the investing public and making comparisons of REIT operating results more meaningful. FFO is computed in accordance with our interpretation of standards established by NAREIT, which may not be comparable to FFO reported by other REITs that do not define the term in accordance with the current NAREIT definition or interpret the current NAREIT definition differently.

Because FFO excludes significant economic components of net income (loss) including depreciation and amortization, FFO should be used as an adjunct to net income (loss) and not as an alternative to net income (loss). The principal limitation of FFO is that it does not represent cash flow from operations as defined by GAAP and is a supplemental measure of performance that does not replace net income (loss) as a measure of performance or net cash provided by operating activities as a measure of liquidity. In addition, FFO is not intended as a measure of a REIT's ability to meet debt principal repayments and other cash requirements, nor as a measure of working capital. FFO only provides investors with an additional performance measure that, when combined with measures computed in accordance with GAAP such as net income (loss), cash flow from operating activities, investing activities and financing activities, provide investors with an indication of our ability to service debt and to fund acquisitions and other expenditures. Other REITs may use different methods for calculating FFO, accordingly, our FFO may not be comparable to other REITs.

NOI is derived from revenues minus property operating expenses and real estate taxes. NOI does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income (loss) (determined in accordance with GAAP) as an indication of our financial performance or to be an alternative to cash flow from operating activities (determined in accordance with GAAP) as a measure of our liquidity; nor is it indicative of funds available for our cash needs, including its ability to make cash distributions. We believe that net income (loss) is the most directly comparable GAAP measurement to NOI. Because of the inclusion of items such as interest, depreciation, and amortization, the use of net income (loss) as a performance measure is limited as these items may not accurately reflect the actual change in market value of a property, in the case of depreciation and in the case of interest, may not necessarily be linked to the operating performance of a real estate asset, as it is often incurred at a parent company level and not at a property level. We believe that NOI is helpful to investors as a measure of operating performance because it is an indicator of the return on property investment, and provides a method of comparing property performance over time. We use NOI as a key management tool when evaluating performance and growth of particular properties and/or groups of properties. The principal limitation of NOI is that it excludes depreciation, amortization and non-property specific expenses such as general and administrative expenses, all of which are significant costs, and therefore, NOI is a measure of the operating performance of the properties of the Company rather than of the Company overall.

EBITDA is defined as NOI plus other income, plus (minus) equity earnings (loss) from affiliates, minus general and administrative expenses. EBITDA includes EBITDA from discontinued operations. FAD is defined as FFO minus recurring capital expenditures. Recurring capital expenditures are those expenditures necessary to maintain asset quality, including major road, driveway and pool repairs, and clubhouse renovations and adding or replacing street lights, playground equipment, signage and maintenance facilities.

FFO, NOI, EBITDA and FAD do not represent cash generated from operating activities in accordance with GAAP and are not necessarily indicative of cash available to fund cash needs, including the repayment of principal on debt and payment of dividends and distributions. FFO, NOI, EBITDA, and FAD should not be considered as alternatives to net income (loss) (calculated in accordance with GAAP) for purposes of evaluating our operating performance, or cash flows (calculated in accordance with GAAP) as a measure of liquidity. FFO, NOI, EBITDA and FAD as calculated by us may not be comparable to similarly titled, but differently calculated, measures of other REITs or to the definition of FFO published by NAREIT.

(4) Includes manufactured housing and annual/seasonal recreational vehicle sites, and excludes transient recreational vehicle sites.

(5) Occupancy percentage excludes recently completed but vacant expansion sites.

(6) Weighted average rent pertains to annual/seasonal recreational vehicle sites and excludes transient recreational vehicle sites.

(7) Includes capital expenditures necessary to maintain asset quality, including purchasing and replacing assets used to operate the community. These capital expenditures include items such as major road, driveway, and pool improvements, clubhouse renovations, and adding or replacing street lights, playground equipment, signage, maintenance facilities, manager housing and property vehicles. The minimum capitalized amount or project is five hundred dollars.

(8) Includes capital expenditures which improve the asset quality of the community. These costs are incurred when an existing older home moves out, and the site is prepared for a new home, more often than not, a multi-sectional home. These activities which are mandated by strict manufacturer's installation requirements and State building code include items such as new foundations, driveways, and utility upgrades.

(9) Acquisitions represent the purchase price of existing operating communities and land parcels to develop expansions or new communities. Acquisitions also include deferred maintenance identified during due diligence and those capital improvements necessary to bring the community up to Sun's standards. These include items such as upgrading clubhouses, landscaping, new street light systems, new mail delivery systems, pool renovation including larger decks, heaters, and furniture, new maintenance facilities, and new signage including main signs and internal road signs. These are considered acquisition costs and although identified during due diligence, they sometimes require six to twelve months after closing to complete.

(10) Expansion and development costs consist primarily of construction costs and costs necessary to complete home site improvements.

(11) Capital costs related to revenue generating activities, consisting primarily of garages, sheds, and sub-metering of water, sewer and electricity. Occasionally, a special capital project requested by residents and accompanied by an extra rental increase will be classified as revenue producing.

(12) Net leased sites do not include sites acquired in that year.